

the language in LB 1, we were going to end up, at least the lower income, the lower income, the people with the older machinery were going to end up paying, number one, the sales tax, and, number two, because of federal tax law and personal income situations enter into that of that repair...

SPEAKER BAACK: One minute.

SENATOR COORDSEN: ...on the farmer's federal income tax which then forced it to show up on your report for personal property tax purpose because, bear in mind, the county assessors do have authority to examine an individual's depreciation schedule and everything that's on that depreciation schedule has to be reported for income tax other...or property tax other than buildings. So while Senator Withem's amendment wouldn't really damage the system so much, it would, in fact, create a significant increase in cost for state government to administer the system that is greater than what the refund...

SPEAKER BAACK: Time.

SENATOR COORDSEN: ...or the rebate program, exemption program, in fact, caused them to spend. Thank you, Mr. Speaker.

SPEAKER BAACK: Thank you, Senator Coordsen. Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, I didn't know this amendment was coming up, but since it has, I guess I'm going to take the position that was my position initially back when 1063 did this system of refund of sales tax was a better system than the outright exemption that was enacted in LB 1 for the reason that it was easier to keep track of. We've had other legislation introduced in the area of auctions as a result of LB 1. There was some complaints from auctions from 1063 in this process, but then, again, there was some in LB 1. We have had bills to exempt all auctions from any sales tax, or at least to modify it from the way it is now. I think probably what is accurate is that I do not recall any discussion when we did the refund that it would apply to the appreciable equipment although it would have been self-evident, but I do not recall that it was specifically discussed nor was it specifically discussed in LB 1, but, nevertheless, it was a result of losing the sales tax exemption for major repair, if that major repair was of a nature that it had to become depreciable property. Actually, as I think back to 1063, if you